Cases being contested by Punjab National Bank, Calcutta for securing legal fees forits lawyers

1683. PROF. SOURENDRA BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether the Punjab National Bank, Dharmatolla Street Branch (Lenin Sarani), Calcutta has been contesting cases for securing legal fees for its lawyers from various clients and constituents;

(b) whether the Bank has misused public funds in carrying on with such legal battles;

(c) if so, what are the details thereof; and

(d) what further action is being proposed to be taken to resolve the same out of court and/ or to withdraw such proceedings from the courts of law immediately?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) to (d) Punjab National Bank has reported that its Dharamtolla Street Branch has not instituted legal proceedings for the purpose of securing/paying fees to the bank's lawyers. The suits have been filed for recovery of bank's dues after proper consideration. The bank has further reported that it has been following the suits and has not received any proposal from the defaulting parties to resolve the matters out of the Court.

Financial Assistance rendered by Tourism Finance Corporation of India Ltd.

1684. SHRI ASHOK NATH VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether Tourism Finance Corporation of India Ltd. sponsored by IFCI have agreed in principle to consider financial assistance for new projects on a regular basis even though the project cost is below rupees one crore to generate more employment and provide amenities to the middle class and low-income group tourists;

(b) if the answer to part (a) above be in the affirmative, what are the technical and other difficulties TFCI are facing in not extending financial assistance to small tourism projects; and

(c) what is the moratorium and repayment period, seed capital assistance and maximum lending assistance categorywise?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) and (b) Tourism Finance Corporation of India Ltd. (TFCI) has reported that it normally provides financial assistance for setting up of tourism projects, tourism related activities, facilities and services with capital cost of Rs. 1 Crore and above. However, certain projects which are important from the tourism point of view and for which assistance from state level institutions/banks is not available, may be considered by TFCI even though their capital cost is below Rs. 1 crore.

(c) TFCI has also reported that moratorium and repayment period in each case would depend upon period required for the completion of the project and stabilisation of operations etc.

Seed Capital Assistance is not provided by TFCI.

Setting up of Export Oriented Units outside export processing zones

1685. SHRI ASHOK NATH VERMA: Will the Minister of COMMERCE be pleased to refer to the answer to Starred Question 353 given in the Rajya Sabha on the 10th August, 1989 and state the names of the organisations with addresses outside export processing zones whose projects under the scheme of 100 per cent Export Oriented Units have been approved alongwith the names of the items to be

produced by them and approximate project cost, projectwise and partywise?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI ARANGIL SREEDHARAN): Information is being compiled and will be laid on the Table of the House.

Objectives etc. of Small Industries Development Bank of India

1686. SHRI ASHOK NATH VERMA: Will the Minister of FINANCE be pleased to state:

(a) what are the objectives, special features, forms of assistance, norms of assistance, term loan, working capital, the maximum financial assistance for purchase of land and construction of factory building, promotors contribution, moratorium and repayment period etc. stipulated by the newly formed Small Industries Development Bank of India; and

(b) whether IDBI has designated/ transferred its refinance assistance scheme to Small Industries Development Bank of India for seed capital assistance, special capital assistance, assistance for quality control, equity support etc. which is already in operation for Small Scale Sector under IDBI refinance scheme moratorium and repayment period, rate of interest, maximum lending assistance and if so, what are the categorywise details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) Small Industries Development Bank of India (SIDBI) has been set up as a principal financial institution for promotion, financing and development of industries in the small scale sector and to co-ordinate functions of all the institutions engaged in similar activities. It aims at strengthening and broad-basing the existing institutional arrangement to meet the requirement of the industry in the small, tiny and decentralised sector, besides giving special attention to the export-oriente units.

SIDBI has taken over operations of the schemes of assistance including the scheme of refinance assistance hitherto operated by IDBI through the Stat Financial Corporations, State Industria Development Corporations and banks so far as they relate to small scale industries The norms and parameters of assistance by SIDBI are the same as those stipulated by IDBI earlier in so far as the assistance to units in SSI sector i concerned.

(b) Small Industries Development Bank of India (SIDBI) has reported tha at present it is operating all schemes o assistance by way of refinance to eligibh institutions which were being operated earlier by Industrial Development Bank of India (IDBI) in respect of small scale industries. This includes Seed Capita Assistance Scheme, Assistance for Quality Control Equipment, National Equity Fund Scheme, etc. The terms of sanction of assistance under these schemes at present are the same as they were under IDBI's schemes.

The Special Capital Assistance grantee to SSI units by State Financial Corporation out of the Special Capital Contributed by IDBI and State Governments would continue to be available.

Small Industries Development Bank of India

1687. SHRI ASHOK NATH VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether newly formed Small Industries Development Bank of India had asked the commercial banks not to insist on any security or collateral guarantee under its financial assistance except economic feasibility of the project, hypothecation of assets created out of its financial assistance and comprehensive insurance of the project cost etc., and